

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

Wednesday, May 18, 2005

4:00 p.m.

**in the Mary Brennan Board Room, T. F. Green Airport, Warwick,
Rhode Island**

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chairman, James Rosati, at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: James Rosati, James Forte, Robert Sangster, Kathleen Hittner, MD., Joseph Larisa (arrived at 4:16 p.m.)

BOARD MEMBER ABSENT: Joseph Cianciolo, Michael Traficante.

ALSO PRESENT: Mark Brewer, A.A.E., President and CEO; Laurie Cullen, A.A.E., Executive Vice President; Brian Schattle, Senior Vice President of Finance and Administration and CFO; William Steinkamp, Senior Vice President of Operations and Maintenance; Peter Frazier, Chief Legal Counsel; Richard Licht, Outside Legal Counsel; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Forte to approve the minutes of the Board Meeting of April 27, 2005. The motion was seconded by Mr. Sangster. The motion was passed unanimously.

2. Open Forum:

Mr. Rosati invited members of the public to speak in open session. No one came forward.

3. Report from President and CEO:

Mr. Brewer reported that passenger numbers for the month of April were up 9.19% over April of 2004, and 9.3% year to date.

Mr. Brewer reported that the Corporation had received the MII approval and he wanted to take the opportunity to thank Laurie Cullen, Brian Schattle and Jason Doyle for working so diligently with the airlines to get the approval.

Mr. Brewer reported that he was recently in New Hampshire at a Press Conference hosted by the FAA to present a proclamation issued by Governor Carcieri for Aviation Safety Week.

Mr. Brewer reported that this was Mr. Steinkamp's last Board Meeting before he officially retires from his position as Senior Vice President of Operations and Maintenance. Mr. Brewer thanked Mr. Steinkamp for his outstanding service to the Corporation.

4. Report from Senior Vice President of Operations and Maintenance:

Mr. Steinkamp reported that there will be a Mock Disaster Drill on Thursday, June 2, 2005. Emergency responders (fire, police, FBI, TSA and local hospitals) will report for the drill at 9:30 a.m., and Southwest Airlines has also agreed to participate to test their response. The purpose of the drill is to exercise the Corporation's security plan. Mr. Rosati asked if the Corporation had prepared a press release informing the public and the press of the drill and Mr. Brewer reported that Ms. Goldstein is working on the press release, and there has been communication with the City of Warwick.

5. Discussion Items:

(a) Discussion of MII.

Mr. Schattle gave an overview of the approval process used for the MII, reporting that two airlines had voted no. The Corporation has committed to working with the airlines and forming a technical committee and will continue to pursue funding with the TSA. Mr. Brewer noted that the two airlines had voted no on the MII because

they felt that the EDS project should be federally funded. Mr. Schattle reported that the major projects are the EDS, miscellaneous security, security checkpoint, concessions, carpeting, monies (local match) for land acquisition projects and the airfield maintenance facility. Funding sources will be split between federal grants, RIAC monies from existing bonds, PFC funds and airline funds. Mr. Sangster asked if a Technical Committee had been convened in the past, and Ms. Cullen reported that there is currently one in place. Mr. Rosati asked for a status report on the Skanska contract and Ms. Cullen reported that she is currently working on it with Mr. Frazier.

6. Operations and Capital Committee Report:

Mr. Forte reported that the Committee had met on May 12 and had received a presentation on the Intermodal project from a group of URI students. Mr. Forte reported that Mr. Capaldi, Director of DOT had attended the presentation. Mr. Forte stated that there were items on the consent agenda for approval by the Board. There was also one action item for review and consideration by the Board.

A motion was made by Mr. Forte and seconded by Mr. Sangster to approve the following resolutions. The motion was passed unanimously.

6.1 Consent Agenda:

(a) Consideration of and Action Upon Consultant Contract Amendment for CM Services for the Relocation and Reconstruction of Taxiway 'W' at Quonset Airport AND Consideration of and Action Upon Construction Contract for the Relocation and Reconstruction of Taxiway 'W' at Quonset Airport.

WHEREAS, RIAC contracted with the firm of Edwards & Kelcey (E&K) to provide design services associated with the Relocation and Reconstruction of Taxiway 'W' at Quonset Airport; and

WHEREAS, RIAC is currently negotiating a scope and fee with E&K to provide construction phase services for this project in the amount not-to-exceed \$90,857; and

WHEREAS, this amendment will be funded 95% (\$86,314) through the FAA under FAA FFY05 AIP Grant No. 3-44-0006-12-2005, with RIAC's 5% (\$4,543) matching share from the General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO to negotiate and execute a contract amendment with Edwards & Kelcey to provide construction phase services for the Relocation and Reconstruction of Taxiway 'W' at Quonset Airport in an amount not-to-exceed \$90,857.

WHEREAS, a competitive bidding process was undertaken according

to the Rhode Island Airport Corporation's procurement rules for the Relocation and Reconstruction of Taxiway 'W' at Quonset Airport and three bids were received; and

WHEREAS, the firm of Edwards & Kelcey (E&K), serving as RIAC's design consultant for this project, determined that Cardi Corporation submitted the lowest responsive bid in the amount of \$891,970; and

WHEREAS, E&K recommended that Cardi Corporation be awarded the construction contract for this project and RIAC staff agrees; and

WHEREAS, this contract will be funded 95% (\$847,372) through the FAA under AIP No. 3-44-0006-12 with RIAC's 5% (\$44,598) matching share from its General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO to execute a construction contract with Cardi Corporation for the Relocation and Reconstruction of Taxiway 'W' Project at Quonset Airport in the amount of \$891,970.

(b) Consideration of and Action Upon Consultant Contract Amendment for CM Services for Reconstruct Runway 7-25, Taxiway A, B, and C and Apron at Westerly Airport AND Consideration of and Action Upon Construction Contract for Reconstruct Runway 7-25,

Taxiway A, B, and C and Apron at Westerly Airport.

WHEREAS, RIAC contracted with the firm of Hoyle Tanner and Associates (HTA) to provide design services associated with the Reconstruct, Mark and Light Runway 7-25, Taxiways A, B, & C and the Apron Projects at Westerly Airport; and

WHEREAS, RIAC is currently negotiating a scope and fee with HTA to provide construction phase services for this project in an amount not-to-exceed \$202,090; and

WHEREAS, work associated with the Runway 7-25 and Taxiway A of this amendment will be funded 95% (\$98,601) through the FAA under FAA FFY05 AIP Grant No. 3-44-0005-13-2005, with RIAC's 5% (\$5,190) matching share from the General Purpose Fund; and

WHEREAS, work associated with Taxiways B, C and the Apron will be funded with Passenger Facility Charges in the amount of \$98,300.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO to negotiate and execute a contract amendment with Hoyle Tanner & Associates to provide construction phase services for the Reconstruct, Mark and Light Runway 7-25, Taxiways A, B and C and the Apron Projects at Westerly Airport in an amount not-to-exceed \$202,090.

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's procurement rules for the Reconstruct, Mark and Light Runway 7-25, Taxiways A, B & C and the Apron at Westerly Airport and four bids were received; and

WHEREAS, the firm of Hoyle Tanner & Associates (HTA), serving as RIAC's design consultant for this project, determined that Fleet Construction submitted the lowest responsive bid in the amount of \$3,121,070; and

WHEREAS, HTA recommended that Fleet Construction be awarded the construction contract for this project and RIAC staff agrees; and

WHEREAS, work associated with the Runway 7-25 and Taxiway A of this amendment will be funded 95% (\$1,768,506) through the FAA under FAA FFY05 AIP Grant No. 3-44-0005-13-2005, with RIAC's 5% (\$93,079) matching share from the General Purpose Fund; and

WHEREAS, work associated with Taxiways B, C and the Apron area will be funded with Passenger Facility Charges in the amount of \$1,259,485.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO to execute

a construction contract with Fleet Construction to Reconstruct, Mark and Light Runway 7-25, Taxiways A, B and C and the Apron at Westerly Airport in the amount of \$3,121,070.

(c) Consideration of and Action Upon Consultant Task Order for Obstruction Analysis at T. F. Green Airport.

WHEREAS, RIAC has contracted with the firm of Edwards & Kelcey (E&K) to perform on-call Planning services; and

WHEREAS, RIAC staff has received a scope and fee from E&K to provide technical services associated with the Obstruction Removal/Environmental Assessment Project at T. F. Green Airport in a not-to-exceed amount of \$62,000; and

WHEREAS, this Task Order will be funded 75% (\$46,500) through the FAA under AIP No. 3-44-0003-72-2005 with RIAC's 25% (\$15,500) matching share from the 2000 Airport Revenue Bond Fund Account.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby recommends that the President and CEO negotiate and execute a Task Order with Edwards & Kelcey to provide technical services associated with the Obstruction Removal/Environmental Assessment Project at T. F. Green Airport in a not-to-exceed amount of \$62,000.

6.2. Action Items:

(a) Consideration of and Action Upon Consultant Amendment for the Draft EIS for the T. F. Green Airport Improvement Program.

Ms. Cullen reported that in November 2004 the Board approved a not-to-exceed contract and subsequently entered into a Professional Services Agreement with VHB to provide preliminary services associated with the public outreach program. RIAC and the FAA have negotiated the final scope and fee with VHB for the preparation of the Draft EIS. Costs have increased because there has been a significant expansion of the program including a more extensive public outreach program. The recommendation is that the Board authorize the President and CEO to negotiate and execute a contract amendment with VHB to prepare the Draft EIS for the T. F. Green Airport Improvement Program, subject to receipt of a federal grant offer.

A motion was made by Mr. Forte and seconded by Dr. Hittner to approve the following resolution:

WHEREAS, on November 17, 2004, the Board approved a not-to-exceed contract amount of \$2 million and RIAC subsequently entered into a Professional Services Agreement (PSA) with VHB to provide preliminary services associated with the public outreach program for the EIS in the amount of \$304,946; and

WHEREAS, RIAC and the FAA have negotiated the final scope and fee with VHB for the preparation of the Draft Environmental Impact Statement (DEIS) for the T. F. Green Airport Improvement Program in the amount of \$6,054,010; and

WHEREAS, RIAC has proposed funding this contract with FAA Airport Improvement Program grants totaling \$2,745,085; and

WHEREAS, RIAC's 25% (\$915,028) matching share for these grants will be funded by 2000 Airport Revenue Bond Funds; and

WHEREAS, the remaining balance of the amendment will be funded with additional 2000 Airport Revenue Bond Funds (\$1,696,447) and anticipated interest from the 2000 Bond Construction Accounts or the RIAC General Purpose Fund (\$1,002,396).

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO to negotiate and execute a contract amendment with Vanasse Hangen Brustlin, Inc. (VHB) to prepare the Draft Environmental Impact Statement (DEIS) for the T. F. Green Airport Improvement Program in the amount of \$6,054,010.

The motion was passed unanimously.

7. General Aviation Report:

Dr. Hittner reported that the Committee had not met in May. At the next meeting the Committee will discuss the clearing of obstructions at Newport Airport.

8. Finance and Audit Committee Report:

Mr. Forte gave the report for Mr. Cianciolo. Mr. Forte reported that the Committee had reviewed the financial statements and draft 2006 budget, and the budget should be ready for presentation to the full Board at the June meeting. Mr. Forte reported that there was one consent agenda item which required review and consideration by the Board.

(a) Consideration of and Action Upon 2005 Airport Project and Revenue Bond Issue.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (“RIAC”) is a public corporation, governmental agency and instrumentality of the State of Rhode Island and Providence Plantations (the “State”) organized and existing under Chapter 64 of Title 42 of the Rhode Island General

Laws, as amended (the “Act”) as a subsidiary public corporation of the Rhode Island Economic Development Corporation (the “EDC”); and

WHEREAS, RIAC has the power pursuant to Section 42-64-2(g) and Section 42-65-5 of the Act “...to furnish proper and adequate airport facilities within the State...;” and

WHEREAS, RIAC is undertaking the 2005 Airport Bonds Project, consisting principally of improvements to Airport facilities (the “2005 Airport Bonds Project”) and refunding of all or a portion of the 2000 Series B Bonds (the “Refunding”); and

WHEREAS, RIAC intends to finance the 2005 Airport Bonds Project by requesting the EDC to issue up to \$104,285,000 Airport Revenue Bonds (2005 Series) and the Refunding by requesting the EDC to issue Airport Revenue Bonds in an amount necessary to refund all or a portion of the 2000 Series B Bonds (the “2005 Bonds”) and Pursuant to the Master Indenture of Trust among the EDC, RIAC and the U.S. Bank National Association, as Trustee (the “Trustee”) (the “Master Indenture”), a Seventh Supplemental Trust Indenture among RIAC, the EDC and the Trustee (the “Seventh Supplemental Indenture”) and a Loan Agreement between RIAC and the EDC (the “2005 Loan Agreement”), pursuant to which the EDC will loan the proceeds of the sale of the 2005 Bonds to RIAC for a portion of the 2005 Airport Bonds Project and the Refunding; and

WHEREAS, the EDC has previously selected Merrill Lynch & Co., as underwriter for the issuance of the 2005 Bonds (the "Underwriter"); and

WHEREAS, the Underwriter working with their counsel and other representatives of RIAC, the EDC and the State, have prepared a draft of the Preliminary Official Statement (the "POS") for use in connection with the sale of the 2005 Bonds, which document contains information relating to the 2005 Airport Bonds Project and the Refunding and RIAC and which the EDC has requested be approved and authorized by RIAC; and

WHEREAS, there have been prepared and submitted to this meeting of the Finance and Audit Committee (the "Committee") drafts of the POS, the Report of the Airport Consultant relating to the Airport Project prepared by Ricondo & Associates, Inc., the Seventh Supplemental Indenture, and the 2005 Loan Agreement between RIAC and the EDC, and the Committee has determined that such documents appear to be in appropriate form and contain terms satisfactory to the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS:

1. RIAC hereby approves the 2005 Airport Bonds Project and hereby

requests the EDC to issue up to \$104,285,000 Airport Revenue Bonds to finance the 2005 Airport Bonds Project and to issue Airport Revenue Refunding Bonds in an amount necessary to finance the Refunding.

2. RIAC hereby approves and authorizes the use by the EDC, in connection with the sale and distribution of the 2005 Bonds, of the POS, including the Report of the Airport Consultant, in substantially the form presented to this meeting, and authorizes the President/CEO or any officer of RIAC to execute the POS on behalf of RIAC; and RIAC further authorizes the use by the EDC, in connection with the sale of the 2005 Bonds, of a final Official Statement, substantially in the form of the POS, with such changes therein as may be approved by the President/CEO, the Chairperson, the Vice Chairperson or the Treasurer of RIAC, acting singly.

3. The form, terms and provisions of the Seventh Supplemental Indenture and the 2005 Loan Agreement and hereby approved, and the President/CEO or the officers of RIAC, signing singly are hereby authorized and directed to execute, acknowledge and deliver the Seventh Supplemental Indenture and the 2005 Loan Agreement in substantially the forms presented to the meeting, and following execution thereof, the directors, officers, agents and employees of RIAC are hereby authorized and directed to take all such other action, and to execute and deliver all such other documents, as may be necessary or appropriate to carry out and comply with the terms and

provisions of such documents.

4. The President/CEO or the Chairperson of RIAC, acting singly or in their absence, the Treasurer, of RIAC, is hereby authorized to approve the sale price of and interest rate for the 2005 Bonds, provided that the interest rate for the Refunding Bonds will be adequate to produce a present value savings of approximately five percent (5%) of the principal amount of the 2000 Series B Bonds being refunded.

5. RIAC is authorized to enter into an agreement with a municipal bond insurer to obtain municipal bond insurance for the 2005 Bonds, and the President/CEO or any of the officers of RIAC, acting singly is hereby authorized and directed to execute and deliver an agreement with such bond insurer to provide such insurance.

6. The officers of RIAC are hereby authorized and directed to execute and deliver all such other documents, including but no limited to a Bond Purchase Contract and a Continuing Disclosure Agreement, and to take all such other action as may be necessary or appropriate in order to give effect to this resolution.

9. Executive Session:

(a) Discussion Related to Safety and Security - R.I.G.L. § 42-46-5(a)(3).

(b) Discussion Related to Pending and Potential Litigation

(Environmental and Parking) - R.I.G.L. § 42-46-5(a)(2).

(c) Discussion Related to Investment of Public Funds (Intermodal) – R.I.G.L. § 42-46-5(a)(7).

At approximately 4:22 pm., a motion was made by Mr. Forte and seconded by Dr. Hittner to go into Executive Session. By the following roll call vote, the motion was passed unanimously.

YEAS: James Rosati

James Forte

Joseph Larisa

Robert Sangster

Dr. Kathleen Hittner

NAYS: None

At approximately 4:47 p.m., a motion was made by Mr. Forte to reconvene to the Open Session. The motion was seconded by Dr. Hittner. The motion was passed unanimously.

10. Future Meetings:

The next meeting will be held on Wednesday, June 22, 2005 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.

11. Adjournment:

Dr. Hittner moved to adjourn at approximately 5:48 p.m. Mr. Forte seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

James V. Rosati, Chairman

Rhode Island Airport Corporation

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS MEETING

MAY 18, 2005

NAME	AFFILIATION
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Patti Goldstein	RIAC
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Mel Einhorn	RIAC
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Joe DaSilva	RIAC
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Dave Edwards	RIAC
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Dave Cloutier	RIAC
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Michael Mini RIAC

Liberty Luciano RIAC

Don Pillsbury RIPA

Sue Pillsbury RIPA

Robert Goff NEP

**MINUTES OF THE EXECUTIVE SESSION
OF THE RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING ON MAY 18, 2005**

- 1. At approximately 4:22 pm., a motion was made by Mr. Forte and seconded by Dr. Hittner to go into Executive Session. The motion was passed unanimously.**
- 2. Ms. Cullen gave an update on RIPDES and reported that the permit will stay in effect until May 24, 2005**
- 3. Board Members and Corporation Personnel discussed fuel storage capacity at T. F. Green Airport. Discussion focused on the methods**

of transportation and storage of fuel at the airport. Mr. Rosati asked the staff to immediately start evaluating remedial measures and to keep the Board apprised of progress on this issue.

4. Mr. Frazier gave an update on potential litigation by discussing an age discrimination allegation, a claim by a consultant seeking additional compensation, and an issue arising from the obstructions removal process Newport Airport. There was detailed discussion of the obstruction issue and the importance of community outreach.

5. Mr. Frazier also addressed potential zoning issue and issues related to the design and maintenance of Garage A as well as a claimed easement issue related Garage B.

6. Board Members and Corporation Personnel discussed settlement issues and pending litigation related to the parking. Mr. Licht gave an update on the parking litigation.

7. Board Members and Corporation Personnel discussed issues related to the status of the intermodal project (specifically the APM and contract negotiations) and the financial impact on the airport.

At approximately 4:47 p.m., a motion was made by Mr. Forte to reconvene to the Open Session. The motion was seconded by Dr. Hittner. By the following roll call vote, the motion was passed unanimously.

YEAS: James Rosati

James Forte

Joseph Larisa

Robert Sangster

Kathleen Hittner

NAYS: None.

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Respectfully submitted,

James V. Rosati, Chair

Rhode Island Airport Corporation